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SENATE CASEY: BYT,650

SENATE PANEL LOOKS AT QUESTIONS IT FIRST IGNORED About CASEY

BY ROBERT PARRY

ASSOCIATED PRESS WRITER

WASHINGTON (AP) - The Senate Intelligence Committee appears ready to ask the questions it ignored about William J. Casey's business dealings when it endorsed him to head the CIA last January after a hearing which lasted just 2½ hours.

The issue is under scrutiny of the committee's staff after disclosure of two court rulings critical of Casey's role as a director of Multiponics Inc., a failed New Orleans farming venture.

Casey, 68, has repeatedly denied wrongdoing in his business dealings, arguing that the lawsuits that have plagued his investment career are the kind of difficulties any active businessman can expect. But his critics have portrayed him as a "wheeler-dealer" with questionable business ethics.

"The committee assumed that someone at that level (CIA director) is subjected to an extraordinary and demanding background check," said Sen. Patrick J. Leahy, D-Vt., a committee member. "That was certainly the case during the Carter and Ford administrations."

Another senator, who asked not to be identified, said "there was a mad rush to embrace Casey" last January that prevented a thorough review of the CIA director's past.

"Committee members are anxious to do now what they didn't do before," he said.

Spencer Davis, Intelligence Committee spokesman, said information about Multiponics and other lawsuits against Casey was included in a briefing book provided senators, but questions about those cases were not asked.

"We didn't look into that particular case (Multiponics' suit)," said Davis. "It was before the court and there had been no decision by the judge."

In a May ruling, a New York federal judge found that Casey and other Multiponics directors had knowingly misled potential investors by

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FAILING TO INFORM THEM THAT ABOUT 68 PERCENT OF THE MONEY BEING RAISED WAS TO PAY BACK LOANS TO MULTIPONICS OFFICERS AND DIRECTORS.

THE COMMITTEE FORMALLY ASKED THE JUSTICE DEPARTMENT THIS WEEK FOR INFORMATION ON CASEY'S PAST FINANCIAL DEALINGS AND RECEIVED A PLEDGE OF COOPERATION FROM ATTORNEY GENERAL WILLIAM FRENCH SMITH.

SEN. DANIEL PATRICK MOYNIHAN, D-N.Y., VICE CHAIRMAN OF THE COMMITTEE, SAID THE FORMAL REQUEST WAS SENT TO THE DEPARTMENT AFTER THE COMMITTEE STAFF TRIED UNSUCCESSFULLY FOR SEVERAL DAYS TO GET THE WHITE HOUSE AND JUSTICE DEPARTMENT TO RELEASE THE FILES.

THE COMMITTEE STAFF WILL FIND THAT MANY OF THE ALLEGATIONS OF FINANCIAL MISCONDUCT AGAINST CASEY HAVE ALREADY BEEN REVIEWED - ALTHOUGH OFTEN IN A CURSORY FASHION - BY OTHER SENATE COMMITTEES THAT APPROVED HIM FOR THREE HIGH-LEVEL POSTS IN THE NIXON ADMINISTRATION.

BUT A COMMITTEE SOURCE SAID THE STAFF INVESTIGATORS WILL BE LOOKING FOR "ADDITIONAL DETAILS . . . ABOUT LEGAL MATTERS THAT MIGHT BE HANGING."

THE SOURCE SAID THE COMMITTEE WAS PARTICULARLY INTERESTED IN CASEY'S RELATIONSHIP WITH CARL BIEHL, ANOTHER FOUNDER OF MULTIPONICS. THE WILMINGTON (DEL.) NEWS JOURNAL REPORTED LAST WEEKEND THAT BIEHL HAS AGREED TO SUPPLY FEDERAL INVESTIGATORS INFORMATION ON ORGANIZED CRIME ACTIVITIES IN THE NEW ORLEANS AREA.

IN 1971, AFTER CASEY WAS NOMINATED BY THEN-PRESIDENT RICHARD M. NIXON TO HEAD THE SECURITIES AND EXCHANGE COMMISSION, SEN. WILLIAM PROXIMIRE, D-Wis., CHARGED: "MR. CASEY HAS CUT CORNERS WHEN HE CONSIDERED IT TO BE NECESSARY TO BUSINESS PROFIT. HE HAS WHEELED AND DEALED HIS WAY INTO A PERSONAL FORTUNE, SOMETIMES AT THE EXPENSE OF HIS CLIENTS."

THE MULTIPONICS SUIT WAS FILED IN 1973 WHEN CASEY WAS SEC CHAIRMAN. IT ACCUSED THE FIRM'S DIRECTORS, INCLUDING CASEY, OF MANAGING THE AGRIBUSINESS FIRM FOR THEIR OWN PERSONAL GAIN. MULTIPONICS, FORMED IN 1968, FILED FOR REORGANIZATION UNDER FEDERAL BANKRUPTCY LAWS IN 1971.

THE MULTIPONICS SUIT WAS MENTIONED BRIEFLY IN A SENATE FOREIGN RELATIONS COMMITTEE HEARING ON CASEY IN 1973, BUT HAD NO APPARENT EFFECT ON THE PANEL'S APPROVAL HIS NOMINATION TO BE ASSISTANT SECRETARY OF STATE FOR ECONOMIC AFFAIRS.

NO MENTION OF ANY OF THE LAWSUITS WAS MADE IN LAST JANUREY'S INTELLIGENCE COMMITTEE HEARINGS, WHICH FOCUSED ALMOST EXCLUSIVELY ON CASEY'S PLANS FOR DIRECTING THE CIA.

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